[Shri Kahnu Charan Lanka]
us immediately when the refugees will be taken out of Orissa. Thank you.

SUPPLEMENTARY DEMANDS FOR GRANTS (GENERAL), 1989-90

THE DEPUTY CHAIRMAN: Now, the Finance Minister.

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): Madam, I beg to lay on the Table a statement (in English and Hindi) showing the Supplementary Demands for Grants (General) for the year 1989-90 (March 1990).

I. BUDGET (RAILWAYS) 1990-91—GENERAL DISCUSSION

II. RESOLUTION APPROVING RECOMMENDATIONS OF RAILWAYS CONVENTION COMMITTEE, 1989

THE DEPUTY CHAIRMAN: Now, the Railway Minister.

THE MINISTER OF RAILWAYS (SHRI GEORGE FERNANDES): Madam, I beg to move that we start the general discussion on the Budget (Railways), 1990-91.

I also beg to move:

"That this House approves the recommendations made in paragraphs 10 to 14 contained in the First Report of Railway Convention Committee, 1989, appointed to review the rate of dividend payable by the Railway Undertaking to the General Revenues as well as other ancillary matters in connection with the Railway Finance and General Finance, which was laid on the Table of the Rajya Sabha on the 14th March, 1990."

Madam, by a Resolution adopted in the Lok Sabha on 28-12-1989 and concurred in by the Rajya Sabha on 29-12-1989, the Railway Convention Committee, 1989, was constituted on the 6th February, 1990. The Comittee was appointed to review the rate of dividend which is at present payable by the railway undertaking to General Revenues as well as other ancillary matters in view of the railway finance *vis-a-vis* the general finance and make recommendations thereon for the Eighth Plan period, 1990-95.

The Ministry of Railways have submitted their first interim memorandum requesting the Committee to permit continuance of the financial arrangements between the Railways and the general finance for the year 1990-91 as recommended by the Railway Convention Committee, 1985, and as adopted for the year 1989-90, pending their final recommendations for the Eighth Five Year Plan for which a memoranda to the Committee will be submitted. The Railway Convention Committee, 1989, have considered the interim memoranda and have agreed to the proposal made therein by the Ministry of Railways subject to retrospective adjustments after the final recommendations of the Committee are available in due course.

With these words, Madam, I commend the Resolution for the consideration of the House.

The question was proposed.

THE DEPUTY CHAIRMAN: Resolution moved. Prof. Chandresh P. Thakur to speak on the Railway Budget and the Resolution.

PROF. CHANDRESH P. THAKUR (Bihar): Madam, I rise to respond to the proposal of the Hon. Railway Minister. The Railways are the key life-line of the country. It provides links and critical support to the commerce, industry and travelling public in this country. This is the first time I am speaking on the Railway Budget, Madam. I think, there are three good reasons for persuading myself to do that.

[THE VICE-CHAIRMAN (SHRI JAGESH DESAI) in the Chair]

First of all, I would like to say that I have been an admirer of the Indian Railways for its critical support to the life and living of the people in the country. Secondly, it has had an impressive record on several counts, in recent years. Thirdly,—it is a personal reason—the hon. Minister represents the constituency where I was born and raised.

Railways carry as freight, items like processed minerals, foodgrains, etc. It has manufacturing as well as repair and maintenance units. It has also very good orgnisations like the RITES and the IRCON which have done extremely well in terms of operating results. In this connection, let me compliment the hon. Minister for his very bold confession on the day he took charge that he was taking charge of the railways in a very good condition.

Mr. Vice-Chairman, we know that the hon. Railway Minister was a very eminent trade union leader. Particularly, he was a union leader in the railway industry itself. Perhaps, this change of hat this switch over to the other side of the fence, though agonising, is challenge to him and I am sure, he is getting the feel of the challenge and measuring up to it.

The performance of the Railways during the Seventh Five-Year Plan has been really impressive. It has generated Rs. 527 crores of surplus, reduced the deferred dividend and it has reduced its dependence on the General Budget. It is of the order of only 41 per cent now. It has also successfully resorted to the instruments of internal resource generation and external resource mobilisation, from the market.

Modernisation of workshops, renewal of tracks and coaches as well as rolling stock have been high on the agenda and most of these have been met with a general degree of satisfaction. Computerisation of passenger services has been a very welcome thing and a large part of the general public is enjoying its fruits. However, work in regard to computerisation of freight services has been, sort of, inching ahead. I do realise the problem of resources and the other kinds of things which the hon. Minister had raised, for example, how it is going to affect the job prospects, etc.

But Sir, the fact remains that the Railways have to earn the confidence and the support of the commercial clients. The commercial clients depend, primarily, on the quality of freight service offered by the Railways. Whereas I am an admirer of the Railways, if you look at the quality of freight service, you will find that there is a long journey to be covered to satisfy the commercial customers. I might add here that as far as the freight service is concerned, Railways have a commercial problem. They are competing with the truck industry. As of today, the railway freight service is dependent on just ten items and the share of Railways even in those ten items—the future share—is dependent on the quality of service provided by the Railways, the cost and the time involved in that context.

Of course, we realise that the truck industry is energy-deficient and it is very costly. But in the final analysis, it is the consumer who has to bear the cost. The business and industry could care less whether the goods are carried by a cheaper mode of transport like the railways, or, a costlier mode, namely, by trucks. However, in this, the economy, as a whole, gets hurt. Particularly, the Railways are likely to lose in terms of the freight traffic offered.

I see a reference made in the hon. Minister's statement in regard to the thrust in the next Plan. It is a welcome thrust, I respect that, we also realise that it would require more resources and more than that much

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more efficient management and support from the entire group of railway employees at all levels. It is important that Railway employees should be enthusiasts and involved and one does not get their involvement by simply exhorting them, wishing them to do a better job, but through suitable instruments of management, Certainly railways require much more capable leadership at all levels. We have a very dynamic Railway Minister. I have respect for individual members of the senior railway staff. Some of them are my friends and some of them I know at a personal level, but in a competitive world you have not only to do a good job but continue to do it all the more in an improved way.

Now there are three aspects in the railway development programme. As a passenger we are interested in the new raliway lines. Not only that, we are also interested to see that the railways promote the infrastructure to support developmental potential growth for the depressed areas. Laying of the new lines is very critical, but more than that productivity of the current assets of the railway is also one of the critical determinants of the final efficiency of the raliway system. Now, with regard to the new railway lines, there is no time to go through the whole range of things, but I would like particularly to refer to the eastern region. Historically, railway lines were laid in the coal belt and some other areas primarily to provide links and support to the extractive industry. We wanted all minerals from the pitheads to be carried to the points where they were used, particularly for the new industrial centres. Coal, iron ore, iron and steel remain even today one of the dominant segments of freight carriage. So, the density of railway lines in these two regions, particularly Bihar and West Bengal, has a historical origin. But if you look at the post-independent India the per capita increase of railway track in that region, it has not been improved for very simple reason that the Railways have continued, so far as this region is concerned, to do the same historical job which in a colonial time it was doing, that is to serve the extrative industry rather than to emerge as an instrument of wider growth in that region. The NER has to serve so many areas of the North-Eastern region. Its lines pass through Eastern U.P., North Bihar and goes all the way to certain parts of Assam and the whole area is really deficient both in terms of road and rail. Time and again questions have been raised what kind of additional facilities are going to be created and with all respect to the predecessors, they have been taking the stand that it is not commercially viable. Now the chicken and the egg story comes. Unless the area opens up, unless the infrastructure facilities are improved, the investment climate and the economic potential of that area will remain untapped and unless the economy of that region develops you cannot get commercial traffic of the kind which will attract you to add more lines. So, perhaps if you go through the initial history of Railways where it was used as an instrument of growth and in the second round this growth emerged as a source of revenue, then probably some course correction for genuine economic reasons to the advantage of this region has to be done. The Railways Ministry has not been able to pay its particular attention in this regard. This applies not only to the new railway lines, but it also applies to gauge conversion. I am happy that the Minister has taken up Darbhanga-Samastipur segment for gauge conversion, which the then Minister, Shri Lalit Narain Mishra, took up. It so happens that out of the total number of Railway Ministers in this country, a dominant number has come from either U.P. or Bihar. And yet, it seems, that whoever is the Minister, curses the region of his origin. The other day when I was travelling, a senior official of the Railway said it is really a surprising thing, the mo-

ment you become a Minister in your questionable anxiety to have your political fate up, you try to ignore the region of your origin. It should have been the other way. I only hope that the three projects that the Minister has now announced for the benefit of that region—gauge conversion of Samastipur-Darbhanga segment, Chitauni-Bagah bridge which has been long overdue and a taken gesture, that once a week train between Mazaffarpur and Bombay—will not remain as the end of the initiative in this area. His predecessor has complimented him for his bold initiative to serve his constituency. He should not be lacking in enthusiasm to deliver more for Muzaffarpur which he is representing for the third time. There is a great risk before that region. I would like to draw the attention of the Minister to the fact that when he came to campaign this time there was a story circulating to his disadavantage that he was there for the votes and he would reap a political harvest and then forget about it as he did in the last two terms of incumbency as Member of Parliament from that region. This time, in the very first year he has taken some steps. We would like that as years go by he will consolidate on that, not as a political gesture but in official discharge of his responsibility as a Minister looking after a critical infrastructure of this country, he will use the railway to open up that region economically and socially so that not only that region but the economy as a whole benefits in the process.

Now, Mr. Vice-Chairman, I got a very short notice to speak on the Railway Budget and I tried to catch up quickly. I just read the Railway Convention Committee's Report, 1985. It is a very useful document, but it makes a very painful reading. It gives a lot of information with regard to overaged wagons coaches and the whole turn-around time of the wagons as well as the delays in the completion of repair tasks and other things in the railway workshops. Now I would particularly like to draw attention to the fact that production of wagons is the lifeline for the engineering industry. The magnitude of railway orders for production of wagons sustains a large number of historically well-established engineering companies in West Bengal and one or two recently in Bihar. And they have been on the sick list partly because of technical obsolescence and partly also because of the fluctuating size of the railway orders so far as wagons are concerned.

Now I was looking at the list of the capacity of the wagon-manufacturing companies and rate of utilisation of capacity. If you think that the engineering industry is one of the key industries for propelling the growth of the industrial economy in general and engineering based forward linkage with employment and other kinds of things in particular, then there is an urgent need to ensure that the capacity of the engineering industry particularly which serves the railways, should be augmented but what is more, whatever capacity has been created, should be fully utilised. Otherwise, not only will the railways continue to remain deficient in new wagon stock but in turn there will be a reverse growth, market lag and operating deficiency of the railway-based engineering units. I would particularly draw the attention of the honourable Minister to one simple case, that is: Bharat Wagons. Bharat Wagons has a long history. It was a private unit. It was serving agro-based industries, and later it fell sick. It was nationalized and given to the railways and alter it has been made a separate company.

My friend, Mr. Jadhav, is a respectable friend but he is disturbing the honourable Minister from listening to what ever I am saying. I am sure the honourable Minister will not have the time to pore over the records of Parliamentary discussions and respond to them. ...*(Interruptions)*... Well, my work is your work but I can assure you that I

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am not speaking for Bihar but I am speaking of something which is of interest to India as a whole.

Mr. Vice-Chairman, I was saying that Bharat Wagons has two units, one at Mokameh and another at Muzaffarpur. In this area industrial development is a critical requirement because whatever industry has come up in Bihar has come up in Chhotanagpur area, for the simple reason that this is helping the steel and coal sector to grow. So, if you want balanced industrial development of relatively less industrialized and economically depressed regions, it is very important that the existing units which serve the railways should be allowed to grow, and grow with respect. If this is true, ten there is a a need to ensure that Bharat Wagons and both its works at Mokameh and Muaffarpzur expand with support. Now, whether railway resources will help or general resources from the Ministry of Industry will help or the corporate resources from that unit will do it, that is a matter of detail. But I know for certain that railways have a role.

Now, I was looking at the fact that railways is one of the largest employers in the country. But in the last ten years, as the Minister's statement says, employment in the railways has grown only at the rate of 0.6 per cent. I realize the constraint of new technology. If new railway lines are not growing in a big way and the existing railway network is being modernized with the help of such technology which is not necessarily labour absorbing as the kind historically the technology used to be, then there are some constraints wiht regard to that. It is here that some ingenuity, some innovativeness is required. If the railways are not able to directly employ people, then it should become an instrument for generating employment capacity elsewhere. Now what are the choices? I have seen in the latter part of the Minister's statement that he is trying to draw the railways' attention to rural development, to handicrafts development. These are promising areas, but the only thing is that this should not be done as a token gesture, as a social service. This should be taken up as an organized programme. Railways' capability to manage things and their capacity to support the dependent sector is paramount, and this can be harnessed to the advantage of development of certain areas on a slective basis. Now, ... (*Interruptions*) ... I will come to that point later.

Railways are trying to join hands with the State Governments and, hopefully, with corporate clients, for financing its new railways lines, as in the Konkan Railway project or whatever it is. Similarly, if the joint sector proposal is accepted, then the railways could join hands with private agencies or voluntary agencies or the corporate sector in different selective regions on an experimental basis to go ahead and acquire area development programmes. Now, it is a matter of detail into which one need not go at this stage, but I am just leaving a thought for the Minister to see whether railways—I know, railways main business is to run the railways—as part of social obligation, can consider the possibility of moving into some non-railway activities where it can provide key support, if not financing, at least technical support, managerial support in selected areas. Mr. Vice-Chairman, promotion of village and cottage industries has always been a programme so far as the Railways are concerned . It is a familiar scheme, and to the extent the hon. Minister has decided to give support to it, I welcome it.

Now, again one as a purchase group.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Prof. Thankur, how much time will you take now?

PROF. CHANDRESH P. THAKUR: As much as you will give me.

AN HON. MEMBER: After lunch.

PROF. CHANDRESH P THAKUR: Okay, after the lunch hour, if you want. I will continue. This point let me complete.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): If you can finish in five minutes, I will allow you now, not otherwise.

PROF. CHANDRESH P. THAKUR: No. I require more time. Okay.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): You can continue after lunch.

Now we adjourn for lunch and will meet again at 2-30 P.M.

The House then adjourned for lunch at thirty-one minutes past one of the clock.

The House reassembled after lunch at thirty-six minutes two of the clock, **The Deputy Chairman** in the Chair.

I. BUDGET (RAILWAYS) 1990-91— GENRAL DISCUSSION

II. RESOLUTION APPROVING RECOMMENDATIONS OF RAILWAY CONVENTION COMMITTEE, 1989— Contd.

PROF. CHANDRESH P. THAKUR: To continue, Madam, I was thinking in terms of new activities. The Ministry of Railways could consider the possibility of joining hands with the Ministry of Tourism, for example, innovating projects which will help it in serving the new category of clients and perhaps it will be a source of revenue also. In the process certain selected sectors with tourist potential will get the benefit of railway facilities.

Madam, in the Minister's speech a reference has been made with regard to the human resources management and Rs. 280 crores has been provided for manpower planning. It is a welcome thing because when you modernise a long established system, then, real modernisation does not stop at technological modernisation. You must have the people who are behind that also of the corresponding attitude and capability. The Railways have a large number of employees but they need modernisation in their outlook and methods of working. One basic requirement in the entire Railway manpower development is a commercial thrust in their attitude. It seems to me that most Railway employees do not know what are its commercial dimensions, and that is the hang-over of the monopoly situation and that is the hang-over of the later nationalised stage where the Government employees get a total security and perhaps the attitude towards the customers whether they are travelling people or the commercial clients may not be really of that kind which a competitive situation will generate.

Then, talking to the Railway people while travelling one does not get the impression that even senior Railway people really understand the financial implications of Railway operations and to the extent that they are not able understand that their individual or collective contributions in terms of cost rationalisation or revenue promotion may not be as effective as is possible because its potential nobody can doubt.

Similarly, when you are having technology of the new order, then, the receptivity to modern technology also must be developed correspondingly but not merely on the attitude level. I take note of the fact that in the workshop modernisation one of the training programmes, talks about the multiple skilling. Now traditional technical skill training has been confined to one skill but modern technology requires a lot of flexibility on the shop floor. So to the extent that they are thinking in terms of multiple skilling, it is a movement in the right direction. I only hope that resistance to that which is natural is evened out and people are able to see the value from their individual point of view as well as from the organisations point